

Message Text

UNCLASSIFIED

PAGE 01 TEHRAN 09450 251100Z

17

ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 EB-07 FRB-01 INR-07

NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02 CIEP-02

LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01 AGR-10

L-03 H-02 PA-02 PRS-01 /109 W
----- 116799

P R 250630Z SEP 75

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC PRIORITY 3628

INFO USDOC WASHDC

AMEMBASSY ABU DHABI

AMEMBASSY MANAMA

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS UNN

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KABUL

AMEMBASSY KUWAIT

AMEMBASSY MISCAT

USINT BAGHDAD UNN

UNCLAS TEHRAN 9450

EO 11652: NA

TAGS: BEXP, EIND, IR

SUB: DOWNTURN IN BUSINESS ACTIVITY IN IRAN: IMPACT ON SHORT-
TERM POTENTIAL FOR U.S. BUSINESS

REF: A) TEHRAN 9322 B) TEHRAN 8992

1. DEPARTMENTS OF STATE AND COMMERCE SHOULD BE AWARE AND
ADVISE U.S. BUSINESS INQUIRIES ACCORDINGLY THAT BUSINESS
ACTIVITY IN IRAN HAS TURNED SHARPLY DOWNWARD, PRIMARILY AS
A RESULT OF UNCERTAINTIES STEMMING FROM THE GOVERNMENT CAM-
PAIGN TO COMBAT INFLATION AND PROFITEERING THROUGH THE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TEHRAN 09450 251100Z

INSITUATION OF PRICE CONTROLS.

2. IMPORT SALES AND LETTERS OF CREDIT HAVE BEEN SIGNIFICANTLY LOWER IN THE LAST TWO MONTHS AS BUSINESSMEN HAVE ADOPTED A WAIT-AND-SEE ATTITUDE BEFORE INVOLVING THEMSELVES IN ADDITIONAL BUSINESS VENTURES. ALTHOUGH THE LONGER-TERM OUTLOOK REMAINS BASICALLY GOOD, IF SLIGHTLY DIMINISHED FROM ESTIMATES EARLY THIS YEAR, THE PRESENT STATE OF THE MARKET AND BUSINESS OUTLOOK WILL UNDOUBTEDLY PROVE DISAPPOINTING TO MANY U.S. BUSINESS INQUIRIES. IN BRIEFING THE ADVANCE TEAM FOR AN IOGA STATE TRADE MISSION DUE TO ARRIVE HERE IN NOVEMBER, THE COMMERCIAL ATTACHE RECENTLY STRESSED THE IMPORTANCE OF INFORMING THE MISSION MEMBERS OF THE CURRENT DOWNTURN IN BUSINESS ACTIVITY IN IRAN, NOTING THAT POSSIBILITIES OF IMMEDIATE--AS OPPOSED TO LONG-RANGE--BUSINESS WERE POOR.

3. ONE IMPACT OF THE CURRENT BUSINESS UNCERTAINTY IS AN UNWILLINGNESS OF LOCAL FIRMS EVEN TO DISCUSS TAKING ON NEW LINES. ACCORDINGLY, IT HAS BECOME INCREASINGLY DIFFICULT TO MEET AGENCY DISTRIBUTOR SERVICE REQUESTS. IT IS ASSUMED THAT THE SITUATION WILL PERSIST UNTIL THERE HAS BEEN A SIGNIFICANT IMPROVEMENT IN BUSINESS CONFIDENCE.

4. ALTHOUGH THERE ARE SOME INDICATIONS THAT BUSINESS AND GOVERNMENT ARE MOVING TOWARD A MODUS VIVENDI, IT APPEARS UNLIKELY THAT THERE WILL BE ANY SUCH SIGNIFICANT IMPROVEMENT IN, AT LEAST, THE COMING WEEKS.

5. ACTION REQUESTED: STATE AND COMMERCE SHOULD INFORM ALL SCHEDULED GROUP AND/OR INDIVIDUAL BUSINESS VISITORS AND BUSINESS INQUIRERS THAT SHORT-TERM BUSINESS PROSPECTS IN IRAN HAVE DETERIORATED. COMMERCE MAY ALSO WISH TO INFORM ADS APPLICANTS OF THE CURRENT SITUATION.

HELMS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, INDUSTRIAL OUTLOOK REPORT, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975TEHRAN09450
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750332-0907
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750916/aaaaanvy.tel
Line Count: 96
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 TEHRAN 9322, 75 TEHRAN 8992
Review Action: RELEASED, APPROVED
Review Authority: MartinML
Review Comment: n/a
Review Content Flags:
Review Date: 10 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 JUN 2003 by MaustMC>; APPROVED <11 FEB 2004 by MartinML>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DOWNTURN IN BUSINESS ACTIVITIY IN IRAN: IMPACT ON SHORT- TERM POTENTIAL FOR U.S. BUSINESS
TAGS: BEXP, EIND, IR, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006